

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

-----X	
EQUAL EMPLOYMENT OPPORTUNITY :	
COMMISSION, :	
Plaintiff, :	
-against- :	06CV5192 (SJF) (JMA)
J.C. PENNEY CORPORATION, INC., :	
Defendant. :	
-----X	

CONSENT DECREE

## **PART I GENERAL PROVISIONS**

### **Section 101 Introduction**

Plaintiff Equal Employment Opportunity Commission ("EEOC") and Defendant J.C. Penney Corporation, Inc. ("J.C. Penney") have agreed to resolve this action by the terms of this Consent Decree ("Decree") as set forth below.

On September 26, 2006, EEOC brought this action under Title VII of the Civil Rights Act of 1964, as amended, ("Title VII") alleging unlawful employment practices on the basis of race and seeking relief to Reinell Singh, who was adversely affected by such practices. In its Complaint, EEOC alleges that J.C. Penney harassed, disciplined, and terminated Reinell Singh because of her race, Black. J.C. Penney denies all of these allegations.

### **Section 102 Purpose of the Decree**

A. The parties, defined as EEOC and J.C. Penney, desire to settle this action, and therefore do hereby stipulate and consent to the entry of this Decree as final and binding between the parties and their successors, assigns, subsidiaries, affiliates, any other corporation or other entity that acquires J.C. Penney, and any other corporation or other entity into which J.C. Penney may merge or with which J.C. Penney may consolidate.

B. The Decree resolves all issues relating to the allegations in EEOC's Complaint and Reinell Singh's EEOC Charge of Discrimination number 160-2005-03225 which served as the jurisdictional prerequisite in this case. The Decree does not resolve any charge of discrimination currently pending before EEOC, or any charge that may be filed in the future, other than the charge listed above. EEOC reserves all rights to proceed regarding matters not covered in this Decree.

C. The terms of this Decree represent the full and complete agreement of the parties. The parties agree that this Decree may be entered into without Findings of Fact and Conclusions of Law being made and entered by the Court.

**Section 103 Prohibited Conduct and Injunction to Not Discriminate**

A. J.C. Penney, successors, assigns, purchasers, and managers, officers and agents acting on behalf of J.C. Penney are hereby enjoined from discriminating against any individual because of the individual's race and from retaliating against any individual because that individual is a beneficiary of this Decree, has filed a complaint, or has provided information, assistance, or participated in any other manner in the investigation or litigation of this matter. The scope of this Decree shall be limited to discrimination against employees who work in the Woodbridge, NJ, Freehold, NJ, Staten Island, NY, and Bronx, NY stores (hereinafter "the Stores") and applicants who apply for positions in the Stores.

B. Nothing in this Decree will be construed to limit or reduce J.C. Penney's obligations to comply with the statutes enforced by EEOC: Title VII of the 1964 Civil Rights Act, as amended, 42 U.S.C. §2000e, *et seq.*; Title I of the Americans with Disabilities Act, 42 U.S.C. §12101, *et seq.*; Age Discrimination in Employment Act, 29 U.S.C. §621, *et seq.*, and Equal Pay Act, 29 U.S.C. §206(d).

**Section 104 Consent to Jurisdiction**

A. EEOC and J.C. Penney agree that this Court has jurisdiction over the subject matter of this litigation and the parties, that venue is proper, and all administrative prerequisites have been met. No party will contest the validity of this Decree or the jurisdiction of the federal district court to enforce this Decree and its terms.

B. The Court will retain jurisdiction over this action for all purposes including, but not limited to, the entering of all orders, judgments, and decrees as necessary to implement the relief provided herein. The matter may be administratively closed but will not be dismissed. Within thirty (30) days after the date set for the expiration of the decree, the parties will submit a stipulation of dismissal to the court. In any action to enforce the terms of this Decree, the Court will have full authority to order any remedy the Court deems appropriate, including, but not limited to, specific performance and/or extension of the Decree beyond the three (3) year term.

**Section 105 Applicability of Decree to Successors and Assigns and Upon Purchase, Merger or Consolidation**

J.C. Penney will provide notice and a copy of this Decree to any successors, assigns, subsidiaries, affiliates, any other corporation or other entity that acquires J.C. Penney, and any other corporation or other entity into which J.C. Penney may merge or with which J.C. Penney may consolidate. The successors, assigns, acquiring entities, and any surviving entities upon merger or consolidation will be fully liable for complying with the terms of the Decree. J.C. Penney will provide written notice to EEOC within ten (10) days of any assignment, succession, acquisition, merger or consolidation affecting J.C. Penney.

**Section 106 Implementation of the Decree**

J.C. Penney agrees to take all steps that may be necessary to fully effectuate the terms of this Decree.

**Section 107 Amendments to the Decree**

By mutual consent of the parties, this Decree may be amended in writing in the interests of justice and fairness and to facilitate execution of the Decree's provisions. No waiver, modification, or amendment of any provision of this Decree will be effective unless made in writing, approved by all parties to this Decree, and approved or ordered by the Court.

**Section 108 Duration of the Decree**

A. The Decree will remain in effect for three (3) years from the final approval date of the Decree. The effective date of the Decree will be the date it is signed by and receives final approval from the Court. The Decree will not expire against J.C. Penney while any enforcement action is pending against J.C. Penney.

B. If EEOC has notified J.C. Penney in writing not less than fifteen (15) days in advance of the termination of the Decree that J.C. Penney is not in compliance with any sections of the Decree, J.C. Penney's obligations under the Decree will remain in effect until EEOC determines that J.C. Penney is in compliance. However, J.C. Penney shall have the right to contest the EEOC's determination before the Court.

**Section 109 Severability**

If one or more provisions of this Decree are rendered unlawful or unenforceable as a result of a legislative act or a decision by a court of competent jurisdiction, the following will apply to insure that the Decree continues to effectuate the intent of the parties. The provisions of this Decree which are not rendered unlawful, unenforceable, or incapable of performance as a result of such legislative act or court decision will remain in full force and effect and the parties' responsibilities will not abate as to any and all provisions that have not been rendered unlawful or unenforceable, except to the extent that the intent of the Decree would be undermined.

**Section 110 Breach of Decree**

A breach of any term of this Decree by J.C. Penney will be deemed a material and substantive breach of the Decree. In the event that EEOC deems that J.C. Penney is not in compliance with any term or condition in the Decree, the EEOC will provide J.C. Penney written notice of the alleged breach unless providing such notice will compromise the public interest.

J.C. Penney will have fifteen (15) days from its receipt of said notice to cure the alleged breach before any formal filing is made to the Court unless allowing such time will compromise the public interest. The parties agree that they will cooperate to effectuate and implement all terms and conditions of this Decree and exercise good faith efforts to accomplish the terms and conditions of this Decree. EEOC and Defendant agree to confer regarding any dispute arising from the implementation of this Decree unless such conference would compromise the public interest. Nothing in this Decree will be construed to preclude EEOC from bringing proceedings to enforce this Decree if J.C. Penney fails to perform any of the terms contained herein. This Decree will be construed under applicable federal law.

#### **Section 111 Notices**

Except as otherwise provided for in this Decree, all notifications, reports, and communications to the parties required under this Decree will be made in writing and will be sufficient as hand-delivered, faxed, or sent by certified, registered, or overnight mail to the following persons (or their designated successors):

For EEOC:	Konrad Batog Equal Employment Opportunity Commission 33 Whitehall Street, 5 <sup>th</sup> Floor New York, New York 10004 Fax: (212) 336-3623
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For J.C. Penney:	Ray Clark Senior Counsel Labor & Employment Group J.C. Penney Corporation, Inc. 6501 Legacy Drive, MS 1122 Plano, TX 75024 Fax: (972) 431-1133
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Any party may change such addresses by written notice to the other parties that set forth a new address for this purpose. Notwithstanding the provisions for notification contained in this

paragraph, the parties may, after agreement memorialized in writing, send each other such notifications, reports, and communications by email.

## **PART II SYSTEMIC RELIEF**

### **Section 201 Posting and Distribution of Notices**

#### **A. Posting of Notice of Resolution**

Within thirty (30) days of entry of this Decree, J.C. Penney will conspicuously post and maintain a "Notice of Resolution" regarding this lawsuit (attached as Exhibit A) in the Stores in the usual and customary places where employee notices are posted. J.C. Penney will certify to EEOC within thirty (30) days after it has posted the Notice of Resolution pursuant to this provision.

#### **B. Provision of Notice and Memo to Employees**

1. Within thirty (30) days of entry of this Decree, J.C. Penney will provide a copy of the Notice of Resolution (Exhibit A) and a memo setting forth the requirements of Title VII (attached as Exhibit B), to all employees in the Stores. J.C. Penney will certify to EEOC within thirty (30) days after it has distributed the Notice of Resolution and memo pursuant to this provision.

2. J.C. Penney will provide the same Notice of Resolution (Exhibit A) and memo (Exhibit B) to all future employees in the Stores at the commencement of their employment. On a semi-annual basis beginning six months after the effective date of the Decree, J.C. Penney will certify to EEOC that it has distributed the Notice of Resolution and memo pursuant to this provision.

**C. Posting of EEOC Posters**

J.C. Penney will post and maintain EEOC posters in places visually accessible to all applicants and employees at the Stores as required by federal regulations. J.C. Penney will certify to EEOC within thirty (30) days that it has posted EEOC posters pursuant to this provision.

**Section 202 Non-Discrimination Policy and Complaint Procedures**

**A. Issuance of Policies and Procedures**

1. J.C. Penney has adopted the anti-discrimination policy and complaint procedures set forth in its Associate Guide, attached hereto as Exhibit C. J.C. Penney will distribute to each employee at the Stores a copy of Exhibit C within thirty (30) days of entry of the Decree. Exhibit C will be issued with a letter signed by the President or Head of Human Resources for J.C. Penney affirming J.C. Penney's commitment to maintaining a work environment free of discrimination.

2. J.C. Penney will provide all new employees at the Stores with copies of Exhibit C within five (5) days of the commencement of their employment.

**B. EEOC Approval of Non-Discrimination Policies and Procedures**

Under no circumstances will EEOC, by commenting or electing not to comment on the anti-discrimination policy and complaint procedures in Exhibit C, be deemed to have waived its right to investigate or litigate any alleged violation of federal law enforced by EEOC, related to or resulting from the implementation of any such policy.

**C. Modification of Policies and Procedures**

J.C. Penney agrees to provide the EEOC with advance copies of any modifications to the anti-discrimination policy and complaint procedures in Exhibit C during the term of the Decree.

## **Section 203 Training**

### **A. Initial Training**

#### **1. Approval by EEOC**

J.C. Penney will provide training programs for all of its (a) non-supervisory employees, excluding seasonal or temporary employees but including regular part-time employees, and (b) supervisory and management employees in the Stores. Each training program will include the following: (a) a detailed agenda with proposed training materials, (b) a curricula vitae for the individual who will conduct the training, and (c) a plan to ensure that all employees receive the required training. The training programs will be conducted by Ray Clark, an in-house labor and employment attorney. The agenda for the training programs, attached hereto as Exhibit D, has been reviewed by EEOC.

#### **2. Content and Duration of the Initial Training**

The initial training will review the rights and responsibilities of employees under federal anti-discrimination laws and how such laws define unlawful discrimination. The training will include examples of unlawful conduct. The training also will cover J.C. Penney's anti-discrimination policies and procedures with particular emphasis on race discrimination and harassment, retaliation, the internal complaint, investigation, and remediation process and an employee's right to file with EEOC and state or local agencies. The training also will include general instruction on Equal Employment Opportunity laws including, but not limited to, Title VII of the Civil Rights Act, as amended, the Age Discrimination in Employment Act, the Americans with Disabilities Act and the Equal Pay Act. The training will be at least four (4) hours in duration for supervisory and management employees and two (2) hours for non-supervisory employees.

### **3. Scheduling and Confirmation of Training**

Within sixty (60) days of entry of this Decree, J.C. Penney will initiate the initial training programs and all such initial training programs will be completed within one hundred and fifty (150) days of entry of this Decree. All non-supervisory employees and supervisory and management employees will attend the appropriate initial training session. Within thirty (30) days of the completion of any training session, J.C. Penney will provide EEOC with an attendance sheet that includes the date, the names of those in attendance, and the signatures of those in attendance along with a current roster of all employees from the relevant store.

#### **B. Annual Training**

##### **1. Annual Training for Non-supervisory Employees**

On an annual basis, J.C. Penney will provide all non-supervisory employees in the Stores with at least two (2) hours of EEOC training as described below in sub-paragraph 3, excluding seasonal or temporary employees but including regular part-time employees.

##### **2. Annual Training for Management and Supervisory Employees**

On an annual basis, J.C. Penney will provide all supervisory and management employees in the Stores with at least four (4) hours of EEOC training as described below in sub-paragraph 3.

##### **3. Required Subjects of Annual Training**

The annual training programs will include:

a. For non-supervisory and supervisory and management employees, instruction on the requirements of all applicable equal employment opportunity laws including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, the Americans with Disabilities Act and the Equal Pay Act, and a review of

J.C. Penney's non-discrimination policies and procedures with particular emphasis on the complaint procedure.

b. For supervisory and management employees, instruction on any policies and requirements related to this Decree and instruction on the specific requirements of this Decree and the proper procedures for responding to complaints of discrimination or harassment.

**C. Training for New Employees**

J.C. Penney will provide two (2) hours of training for all new non-supervisory employees, excluding seasonal or temporary employees but including regular part-time employees, and four (4) hours of training for all new management/supervisory employees within thirty (30) days of the commencement of their employment. The training will review the rights and responsibilities of employees under federal anti-discrimination laws and how such laws define unlawful discrimination. The training will include examples of unlawful conduct. The training also will cover J.C. Penney's anti-discrimination policies and procedures with particular emphasis on the internal complaint, investigation, and remediation process and an employee's right to file with EEOC and state or local agencies. The training also will cover the requirements of this Decree.

**D. Reporting Requirements for Training**

All employees attending any training session described in the above paragraphs will print and sign their full name on an attendance sheet or do so electronically. Within thirty (30) days of the completion any training described in the preceding paragraphs, J.C. Penney will provide EEOC with copies of all attendance sheets. On a semi-annual basis beginning six months after the effective date of the Decree, J.C. Penney will provide EEOC with attendance sheets

pertaining to training given to new employees and a list of the employees, if any, who did not attend training as required.

**E. Pre-Training Notification Requirement**

At least thirty (30) days prior to the Initial and Annual trainings required under this Section, J.C. Penney will provide EEOC notice of the date, time, and location of the scheduled training. EEOC, at its discretion, may attend and observe one or more of the training sessions and may provide changes to be implemented by the trainer.

**Section 204 Monitoring and Reporting**

**A. Monitoring by EEOC**

EEOC may monitor J.C. Penney's compliance with the Decree through the inspection of J.C. Penney's premises and records, and interviews with J.C. Penney's officers, agents, employees, and contractors at reasonable times. J.C. Penney will make available for inspection and copying any records reasonably related to the Decree upon reasonable notice by EEOC.

**B. Reporting Requirements for Discrimination Complaints**

J. C. Penney agrees that beginning ninety (90) days following the entry of the Consent Decree, it will provide a written report to the EEOC every three (3) months with information regarding any complaint of unlawful employment discrimination or unlawful harassment from employees in the Stores or applicants applying for positions in the Stores which were received during the preceding three (3) months. The report will include the name of the complainant, the name of the alleged harasser or discriminator, a list of each step taken by J.C. Penney during the investigation, a summary of the complaint, the location, the results of any investigation of the complaint, and any remedial action taken by J.C. Penney. The report will include all open complaints and all complaints closed or resolved within the prior three (3) months.

**Section 205 Compliance with Record-keeping Requirements**

J.C. Penney agrees to maintain such records as are necessary to demonstrate its compliance with the Decree and 29 C.F.R. §1602 *et seq.* and to verify that the reports submitted pursuant to the Decree are accurate.

**PART III MONETARY AND OTHER RELIEF**

**Section 301 Monetary Payment to Reinell Singh**

J.C. Penney will pay Reinell Singh the total sum of fifty thousand dollars (\$50,000) as non pecuniary compensatory damages and provide Reinell Singh an IRS FORM 1099 within fifteen (15) days of entry of this Decree. J.C. Penney will send the check and IRS FORM 1099 via certified mail, return receipt requested, to Reinell Singh. A copy of the check will be forwarded to EEOC immediately upon issuance of the check.

**Section 302 References Provided for Reinell Singh**

J.C. Penney agrees that prospective employers seeking employment information regarding Reinell Singh will be referred to Verify Job System (1-800-800-4857- code for J.C. Penney is 7326), which will provide information regarding dates of employment, title and salary only. J.C. Penney will not mention this action, or any other matter related to this action or the underlying charge of discrimination to prospective employers inquiring about Reinell Singh.

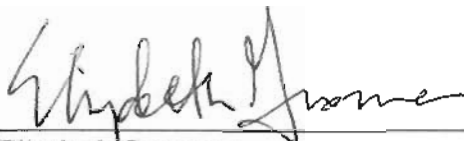
**PART IV SIGNATURES**

Each signatory to this Decree represents that each is fully authorized to execute this

Decree and to bind the parties on whose behalf each signs.

APPROVED IN FORM AND CONTENT:

By Plaintiff EEOC:



Elizabeth Grossman  
Regional Attorney  
EQUAL EMPLOYMENT  
OPPORTUNITY COMMISSION  
New York District Office  
33 Whitehall Street, 5<sup>th</sup> Floor  
New York, New York, 10004

For Defendant J.C. Penney Corporation, Inc.



Mike Theilmann, Executive Vice-  
President, Chief Human Resources and  
Administration Officer  
J.C. Penney Corporation, Inc.  
6501 Legacy Drive,  
Plano, TX 75024



Nicholas A. O'Kelly, Esq.  
Legal Representative  
J. C. Penney Corporation, Inc.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
United States District Judge

**EXHIBIT A**



**U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION  
New York District Office**

33 Whitehall Street, 5<sup>th</sup> Floor  
New York, NY 10004-2112  
(212) 336-3620  
TTY (212) 336-3622  
General FAX (212) 336-3625

**NOTICE TO ALL EMPLOYEES**

This Notice is being posted pursuant to a Consent Decree entered in resolution of a lawsuit brought by the U.S. Equal Employment Opportunity Commission ("EEOC") against J.C. Penney Corporation, Inc. ("J.C. Penney") in federal court in the Eastern District of New York.

Federal law prohibits employers from discriminating against applicants and employees based on national origin, religion, race, color, sex, age or disability. J.C. Penney, its managers, officers, and agents will support and comply with Federal law prohibiting discrimination against any employee or applicant for employment because of an individual's race with respect to hiring, firing, compensation, or other terms, conditions, or privileges of employment.

Pursuant to the Consent Decree, J.C. Penney will:

1. Not engage in any unlawful employment discrimination or retaliation against any person who exercises his or her rights under federal anti-discrimination laws;
2. Maintain and distribute written policies and procedures prohibiting discrimination and enabling employees to file discrimination complaints;
3. Provide training on federal laws prohibiting employment discrimination to all current and future employees;
4. Permit EEOC to monitor compliance with the Consent Decree; and
5. Distribute this Notice.

Should you have any complaints or questions regarding employment discrimination, contact the EEOC at:

Equal Employment Opportunity Commission  
(800) 669-4000  
Website: [www.eeoc.gov](http://www.eeoc.gov)

Dated: \_\_\_\_\_

**THIS IS AN OFFICIAL NOTICE AND MUST NOT BE ALTERED OR DEFACED BY ANYONE  
OR COVERED BY ANY OTHER MATERIAL**

This Notice must remain posted for three (3) years from the date shown above and must not be altered, defaced, or covered by any other material. Any questions concerning this Notice or compliance with its provisions may be directed to the U.S. Equal Employment Opportunity Commission at the numbers listed above.

**EXHIBIT B**

**[J.C. Penney Letterhead]**

**TO:** [All Associates in the Woodbridge, NJ, Freehold, NJ, Staten Island, NY, and Bronx, NY stores]

**FROM:** Mike Theilmann, Executive Vice-President, Chief Human Resources and Administration Officer

**DATE:** [Within thirty days of entry of the Decree]

**RE:** Protections Provided by Federal Anti-Discrimination Laws

This memo is being sent to all employees pursuant to a Consent Decree entered in resolution of a lawsuit brought by the U.S. Equal Employment Opportunity Commission ("EEOC") against J.C. Penney Corporation, Inc ("J.C. Penney"). The lawsuit concerned a claim of discrimination in employment by a former associate. The EEOC and J.C. Penney entered into a Consent Decree in resolution of the lawsuit. In doing so, J.C. Penney is not admitting any liability or wrongdoing. J.C. Penney enters into this Consent Decree in the spirit of reconciliation to ensure compliance with the laws against discrimination in employment.

The purpose of this memo is to inform all associates of the need to know and be sensitive to employees' rights under federal anti-discrimination laws. J.C. Penney is fully committed to complying with these laws and to providing a work environment free of discrimination and harassment.

The primary federal laws that prohibit discrimination are Title VII of the 1964 Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act and the Equal Pay Act. They prohibit discrimination based on:

- Race;
- Color;
- National origin;
- Religion;
- Disability;
- Age; and
- Sex (including pregnancy).

JCPenney is dedicated to making the Company a great place to work through our WINNING TOGETHER Principles. JCPenney values excellence, respect, open and honest communication, and acting only with the highest ethical standards.

As part of our commitment to WINNING TOGETHER, we also want to ensure that all JCPenney Associates and customers are treated with dignity and respect. So, we have established policies on discrimination and harassment designed to safeguard our Associates

during their careers at JCPenney. More specifically, pursuant to our policies, JCPenney will not tolerate any form of discrimination, harassment and/or retaliation.

Workplace harassment and discrimination of any kind can be harmful to our Associates and our business. This kind of behavior undermines productivity, compromises our reputation and conflicts with our core values. Sometimes, harassment may seem harmless, but it could be damaging or offensive to others. Some forms of harassment to be aware of include:

- Racial slurs;
- Ethnic jokes;
- Disparaging or insensitive remarks about an individual's race, sex, color, religion, age, national origin, disability, sexual orientation or gender identity;
- Physical or verbal threats; and
- Sexual harassment.

To treat others with dignity and respect, we must always honor personal boundaries. This doesn't just apply to the aforementioned protected categories, but in all circumstances at the work place. Many activities that may not meet the legal definition of racial or sexual harassment are still prohibited by Company policy, especially if they make others feel uncomfortable or affect job productivity

Because associate concerns about harassment are important and we only WIN TOGETHER through open and honest communication, the Company also has a strict non-retaliation policy for any complaint raised by an associate. The policy states that the Company will take no adverse action (otherwise known as retaliation) against an Associate because he or she reports any concern or potential violation of Company policy or law.

JCPenney will investigate allegations of harassment, discrimination and retaliation whenever necessary. Associates found to have engaged in this behavior, as well as Supervisors or Managers who tolerate it, are subject to disciplinary action up to and including termination.

If an associate reasonably believes that his or her peers, managers or the Company are not acting in accordance with these values, we must encourage them to express their concerns through the many means available to them, including by advising their Supervisor, Manager, or Human Resources representative or by calling JLine at 1-800-527-0063. Associate concerns will be responded to promptly and with as much confidentiality as possible.

Thank you for your attention to this policy and this letter. Our associates are an important part of our JCPenney team and your actions play a key role in preserving and protecting our WINNING TOGETHER culture.

Mike Theilmann  
Executive Vice President  
Chief Human Resources and Administration Officer

If you have a question about this policy or a complaint about a violation of this policy, you are encouraged to discuss the matter with your manager. If you feel that this step would not be productive, then the matter should be presented to one of the following:

District Manager  
District 8104-2  
260 Wayne Town Center  
Wayne, NJ 07470-6993  
Email: \_\_\_\_\_  
Tel.: \_\_\_\_\_

JLine  
800-JCP-0063  
(800-527-0063)

HR Director – Region 1  
Human Resources Dept.  
JC Penney Corp., Inc.  
6501 Legacy Drive  
Plano, TX 75024  
(972) 431-6372

You also may file a complaint with the Equal Employment Opportunity Commission ("EEOC"), which is the federal agency responsible for enforcing federal anti-discrimination laws. The EEOC can be reached at (800) 669-4000 ([www.eeoc.gov](http://www.eeoc.gov)).

## EXHIBIT C

Resources > HR Policies > Associate Handbook > Winning Together Principles

## Associate Guide to WINNING TOGETHER

### Winning Together Principles

**JCPenney**  
**WINNING TOGETHER Principles**  
**associates**  
 We value, develop, and reward the contributions and talents of all associates

**integrity**  
 We act only with the highest ethical standards

**performance**  
 We provide coaching and feedback to perform at the highest level

**recognition**  
 We celebrate the achievements of others

**teamwork**  
 We win together through leadership, collaboration, open and honest communication, and respect

**quality**  
 We strive for excellence in our work, products, and services

**innovation**  
 We encourage creative thinking and intelligent risk taking

**community**  
 We care about and are involved in our communities

**we do this for our...**  
**customers**  
 We build lasting relationships by offering superior service and value

**shareholders**  
 We aspire to superior financial performance

Version: 2.00 © 2005, JCPenney Co. Inc.  
 Last updated: 05/23/2007

Home > HR Policies > Associate Handbook > A Note of Introduction

## A Note of Introduction

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Dear Associate,

We are pleased to provide you with the Associate Guide to WINNING TOGETHER. We encourage you to read this handbook, become familiar with its contents and use it to make the most of the policies, procedures and benefits available to you as an Associate.

James Cash Penney founded our Company in 1902 based on The Golden Rule. Today, this idea serves as the foundation of our WINNING TOGETHER Principles, which define the way we work and WIN together to achieve superior performance.

Our first two WINNING TOGETHER Principles – Associates and Integrity – are the basis of this handbook. They focus on how we value, develop and reward the contributions and talents of all Associates – and how we act only with the highest ethical standards.

If you should ever have concerns about your working relationships at JCPenney, or with actions or decisions not specifically addressed within these pages or resolved through discussion with your Supervisor, you are encouraged to call **Line** at 1-800-JCP-0063 (1-800-527-0063). Skilled professionals will confidentially direct your concerns to those who are trained and prepared to address them.

You're an important part of our JCPenney team, and play a key role in preserving and protecting our WINNING TOGETHER culture. We hope the information provided in this handbook will guide your actions at work and serve as a resource for any questions that arise.

Mike Theilmann

Executive Vice President

Chief Human Resources and Administration Officer

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Last updated: 05/23/2007

Home > Resources > HR Policies > Associate Handbook > HOW WE WIN TOGETHER

## HOW WE WIN TOGETHER

WINNING TOGETHER is the cornerstone of our Associate engagement philosophy. Through our WINNING TOGETHER Principles, the Company values excellence, respect, open and honest communications and acting only with the highest ethical standards. We strive to make JCPenney a great place to work. If you reasonably believe that your peers, Managers or the Company aren't acting in accordance with these values, we encourage you to express your concerns through the many means available to you, including our Open-Door Policy and jLine. Because your concerns are important and we only WIN TOGETHER through open and honest communication, the Company has a strict non-retaliation policy for any complaint you raise. That policy states that the Company will take no adverse action or retribution against an Associate because he or she reports, in good faith, any concern or potential violation of Company policy or law.

### Being a Good Corporate Citizen

JCPenney is committed to being a good corporate citizen through its programs for ethical sourcing of our products, by striving to minimize the impact on the environment by all of our operations, by contributing back to our communities and by valuing our Associates. The JCPenney Corporate Social Responsibility Program continues to build on the legacy of our founder who directed the Company, "To test our every policy, method and act in this way: Does it square with what is right and just?" – James Cash Penney

### Providing Equal Employment Opportunity

Every JCPenney Associate should be treated with courtesy, dignity and respect. This applies to you and all other Associates, applicants, vendors, contractors and Customers.

The Company is committed to equal employment opportunities for all Associates and applicants. The Company recruits, employs, trains, promotes, pays and provides equal terms and conditions of employment to all applicants and Associates. JCPenney does this without regard to race, color, religion, ethnicity, national origin, sex, sexual orientation, gender identity and expression, marital status, family status, veteran status, age, disability or other status protected by law.

JCPenney also prohibits harassment (or other abusive conduct) in all of its forms. Harassment is prohibited when it is related to an individual's race, color, religion, national origin, ethnicity, sex, sexual orientation, gender identity and expression, marital status, veteran status, age, disability or any other status protected by law. No one is permitted to violate this policy. That includes any JCPenney Associate, vendors, independent contractors, employees of licensed companies (for example, Portrait and Optical centers) and Customers. In addition, harassment in any form by Supervisors is strictly prohibited.

### Providing for Diversity and Inclusion

JCPenney creates an environment where all Associates are valued and respected through diversity and inclusion. Diversity brings many unique individuals to JCPenney – including men and women from different nations, cultures, ethnic groups, lifestyles, generations, backgrounds, skills and abilities. Inclusion makes JCPenney a place where everyone in the organization has an opportunity to fully participate in creating business success and is valued for the unique skills, experiences and perspectives they bring.

### Accommodating Those with Disabilities

JCPenney complies with all laws governing the employment and public accommodation of the disabled. JCPenney strongly supports the hiring, retention and promotion of qualified individuals with disabilities. If you have a disability and need an accommodation, please let your Supervisor know as soon as possible. Letting your Supervisor know about your situation is the first step. You may be asked to provide medical documentation regarding your accommodation and your health care providers' recommendations. The Company will then discuss your requested accommodations with you.

If you feel you have been discriminated against or denied an accommodation, please inform your Unit Leader or Human Resources representative immediately.

### Complying With the Family and Medical Leave Act (FMLA)

To be eligible for FMLA, you must work for the Company for one full year and 1,250 hours. At that time, you may be able to take up to 12 weeks of unpaid FMLA Leave within any 12-month period. If you are eligible and your leave is covered by FMLA your FMLA Leave will run at the same time as any paid benefits (such as PTO, MTO or illness recovery) to which you may be

entitled. It is your responsibility to request a leave of absence by calling PowerLine and telling your Supervisor.

When you return from a leave due to your own medical condition, you must provide medical certification – prior to or upon your return to work – that you are fit to return to work. If you fail to provide such documentation, you won't be allowed to resume work and will continue on an unpaid leave for a limited period of time.

### Being Safe

We all want to feel secure in our workplace, without the need to worry about health and safety hazards. To help make JCPenney a safe place to work, we ask all Associates to do their part by following a few simple safety guidelines.

### Workplace Safety

JCPenney complies with all laws relating to health and safety in the workplace, and has many programs in place to protect our Associates. As an Associate, you also have a responsibility to maintain a safe work environment. The best safety precaution is to remain alert at all times. You must observe safe practices in your job, report any injury or accident at work promptly and follow Company security and emergency policies and procedures. Any concerns or suggestions regarding workplace safety should be communicated to your Supervisor.

### Loss Prevention

Our Loss Prevention department is here to protect you, your co-workers, our Customers and the Company's assets. You can help the Loss Prevention department do its job by not possessing any of the following items on Company property:

- Alcohol/Illegal Drugs
- Explosives/Firearms/Weapons
- Offensive materials or other items that may be determined inappropriate based on management discretion

### Substance and Alcohol Abuse

JCPenney seeks to provide a workplace free of the risks related to substance and alcohol abuse. Possession, sale, distribution or being under the influence of illegal drugs on Company premises or while on Company business is prohibited. The consumption of alcohol while on Company premises is also prohibited, unless authorized by management at a Company function. Under no circumstances will intoxication be tolerated while on Company business.

### Medical Safety

If an injury or medical emergency occurs, notify the proper authorities. This may include your Supervisor, Manager of Loss Prevention or 9-1-1 when needed. In the event of a fire or other emergency, you should leave the building or go to a designated shelter area immediately – without stopping to pick up personal belongings. Emergency evacuation routes are posted in your Unit.

### Attending Work Regularly

You play an important part in ensuring the satisfaction of our Customers and the success of JCPenney. We couldn't do it without you. So, regular and predictable attendance is an essential function of every job at JCPenney. That is why you must be at work on time and be willing and able to perform your job. Absenteeism and tardiness will affect your overall performance evaluation and, if excessive, could result in your dismissal.

Each Unit has designated absence and tardiness policies. Please check with your Unit Leader for your specific policy.

### Reporting Absences

If you will be absent or late, notify your Supervisor or other designated Associate as far in advance as possible for each day that you will be absent or late. You should notify the Unit before your scheduled work day begins. If you don't call or show up for work for three consecutive scheduled work days, you'll be considered to have voluntarily terminated your employment.

If you are absent due to illness, call in each day that you are absent. If you will be absent for an extended period of time, your Supervisor may need to make staffing adjustments. Be sure to discuss with your Supervisor when and how you should remain in contact during your absence.

### Recognizing and Respecting Personal Boundaries

Sexual harassment includes unwelcome sexual advances and other written, electronic, verbal or physical conduct of a sexual nature that creates a hostile work environment. Sexual harassment always violates JCPenney policy and is always unacceptable.

While sexual harassment is prohibited by law, the JCPenney policy is stricter than the law. Many activities that may not meet the legal definition of sexual harassment are still prohibited by Company policy, especially if they make others feel uncomfortable or affect their job productivity.

The best way to help prevent sexual harassment is to limit physical contact at work to a professional handshake, and to avoid making suggestive or offensive comments at work. Treat others with dignity and respect – and honor personal boundaries.

If you feel that you or someone else is being discriminated against or harassed, let your Supervisor or Unit Leader know immediately. If you are uncomfortable speaking to him or her, you should raise your concern through our confidential Line.

### **Treating Each Other With Dignity**

All Associates and Customers are to be treated with dignity and respect. Acts of violence or threats of violence won't be tolerated and will be fully investigated. Appropriate action will be taken, up to and including dismissal of the offending Associate. Workplace violence can also include the intentional damage of JCPenney property or the property of another person, as well as conduct that causes others to feel unsafe in our workplace. Any instances of violence or threats must be reported to your Supervisor and/or Human Resources immediately.

### **Understanding Work Schedules**

Work hours vary greatly over the course of the year. Scheduled hours reflect Customer shopping preferences and business needs. Typically, Stores are busiest in November and December. Other Units have different peak times. Our ability to meet your expectations about work hours and schedules is affected by many factors including, but not limited to the following.

- Overall level of business
- Absence of other Associates
- Customer activities
- Restrictions on Associate availability
- Workload in a department
- Experience and length of service of Associates
- Performance of Associates

In establishing schedules, the Company tries to assign hours fairly. We consider a number of things when additional hours become available or when a reduction in hours is necessary for business reasons. It's important that you keep your availability up to date in the Associate Kiosk so that you may be scheduled appropriately.

### **Name Badges**

As an Associate of JCPenney, you will be issued a name badge that is used for identity, security and, in some cases, building access. To help ensure positive Customer Service and to keep JCPenney a safe place to work, your name badge should remain with you and visibly displayed while on Company premises. It should only be used by you and never loaned to anyone.

Your name badge is the property of the JCPenney Company. Upon termination with the Company, you must return it. If you lose your name badge, you should report the loss immediately so a replacement can be issued.

### **Volunteerism**

Volunteerism is at the heart of all we do at JCPenney. Our founder, James Cash Penney, believed in giving back to the communities in which we live and work. One important way we do that is through volunteering. Whether it's with a JCPenney Afterschool service provider, a United Way agency or with a personal cause, such as assisting at an animal shelter, feeding the homeless or building houses, volunteering is an important way that Associates are WINNING TOGETHER by GIVING TOGETHER to make our communities a better place to live and work.

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## HOW WE WORK TOGETHER

There are many ways for the Company to communicate with you about policy changes, events and other important Company news. You should be sure to check these sources from time to time to stay up to date and informed.

### Communicating with Each Other

#### Bulletin Boards

Bulletin boards are available for posting Company-related information, including policy changes, holiday schedules and other JCPenney related news. Please don't remove information or post any personal notices, solicitations or meeting notices for outside organizations on these bulletin boards.

#### Town Hall

As an Associate, you will be invited to Town Hall meetings for the exchange of information relevant to your place of work. These are a great opportunity to share and receive information, so be sure to attend meetings as your schedule permits.

#### jWeb

jWeb is JCPenney's official Intranet Web site, designed to provide access to information that will help you perform your job more efficiently, share best practices and facilitate learning. It is the primary source for Company news and information via the Web.

#### Life

Life is JCPenney's official monthly newsletter, published for all Associates. It is designed to keep you up to date on JCPenney's business activities, allow you to share best practices and use as a learning tool.

#### Open-Door Policy

The Company's Open-Door Policy encourages you to meet with your immediate Supervisor to quickly resolve any work-related issues or to share ideas and suggestions. If your Supervisor can't provide an acceptable resolution for an issue or isn't in a position to resolve a particular concern, then you should be directed to the next-higher level of management.

If you are uncomfortable discussing issues directly with your Supervisor, you can call .Line at 800-JCP-0063 (800-527-0063)

#### Ask On Your Mind?

You have the opportunity to send a question to your Supervisor or Unit Leader electronically through the Associate Kiosk by selecting Associate Self Service and following the appropriate links. To help others who may have the same question, the Supervisor's or Unit Leader's response may be posted on bulletin boards throughout the facility.

#### Associate Participation Program

The JCPenney Associate Participation Program (APP) allows for more formal communication between you and the management staff. Any Associate can arrange to meet with his or her Supervisor to question, suggest, criticize or discuss any aspect of being a JCPenney Associate. If you ask for this type of communication, you can be assured that your standing in the Company won't be affected. You may raise any issue at any level. But the best and quickest way for resolution is to discuss it with your immediate Supervisor. If your Supervisor doesn't adequately resolve the problem, you should pursue the matter through the Unit Leader, or the next-level of management, and then Human Resources in the Home Office. You can expect a careful review and a courteous, clear answer from a Company representative.

### Respecting and Following the Integrity Guidelines

In line with our WINNING TOGETHER Principles and the "Golden Rule," we expect Associates to act only with the highest integrity and ethical standards. We should treat each other, our Customers, vendors and others that we come into contact with at work, with dignity and respect. It is important that you become aware of the Company's rules of behavior and the Statement of Business Ethics. To maintain our integrity standards, we won't tolerate conduct that is immoral, illegal or unethical.

It is impossible for the Company to anticipate every form of misconduct that might call for discipline or immediate dismissal. The following list gives some examples of unacceptable conduct. Although JCPenney reserves the right to decide what discipline is appropriate, misconduct of the following nature generally results in immediate termination of employment:

- Discrimination or harassment directed toward Associates, Customers or others
- Engaging in unethical conduct that substantially violates the Statement of Business Ethics
- Failure to cooperate with the Company in any investigation
- Falsification of any Company document or other record used by the Company, including time records
- Insubordination (e.g. refusal or failure to follow a job-related direction given by your Supervisor)
- Misuse of the Associate Benefit programs, the Associate Discount or other privileges
- Recording a conversation (except when expressly permitted by Company Policy and all parties consent to the recording)
- Repeated or significant violations of government or Company safety and hazardous materials standards
- The possession of weapons or other objects which could be used to harm another person
- Theft, destruction or misuse of property belonging to JC Penney or another person
- Violation of the Company's sales procedures
- Violation of the substance abuse and alcohol policy
- Violence or threats of violence
- Disruptive behavior

Other violations of Company policies, procedures, directives or instructions could subject you to progressive discipline, up to and including dismissal.

### Company Investigations

As a protection to you and your co-workers, Company investigations may be necessary. To be sure that we have all of the information needed to complete the investigation, all Associates are required to cooperate in Company investigations. If you are asked to provide information as part of an investigation, you must be honest and complete in your answers to any interview questions and in any written statements. Absent any misconduct, participants in investigations are protected under the non-retaliation policy.

### Dating at Work

Good judgment should be used regarding dating in the workplace. There are times when it is inappropriate to date others at work. For example, if the relationship could interfere with business judgment, or if it could lead to favoritism or the appearance of favoritism, the Associate should avoid it. It is improper for any Supervisor to date (or otherwise have an intimate, personal or romantic relationship with) any Associate who directly or indirectly reports to them. Any Supervisor who has or seeks a dating relationship with someone who directly or indirectly reports to them must report the relationship to their Supervisor. Failure on the part of the offending Supervisor to report the relationship may subject them to discipline, up to and including dismissal.

If you review or audit the work of another Associate, or could otherwise create a conflict of interest, you shouldn't date that Associate. Anyone who participates in an improper dating relationship could be subject to discipline or transfer.

For example, it would be improper for a Loss Prevention Officer or Associate who has human resource duties to date another Associate in the same reporting structure.

### *Employment of Relatives*

The Company wants to avoid the appearance of favoritism and conflicts of interest. So, Associates working in certain positions may not have relatives employed in the same department and, in some cases – such as management – in the same reporting structure.

Sometimes a working relationship outside of this Policy develops when a hiring, promotion, transfer or marriage occurs. If you and a relative find yourselves in such a situation, it is your responsibility to inform your immediate Supervisor or Human Resources. The Company will attempt to offer alternative job assignments to avoid the conflict. But if the Company isn't able to find suitable job assignments, you and your relative will be permitted to determine which of you will resign. If you and your relative can't make a decision, then the Company will make the decision regarding who will remain employed.

### Dress Code

The dress of JC Penney Associates is important to displaying a consistent, professional appearance to our Customers. You are expected to be well-groomed and to project an appropriate appearance when working, regardless of where you are assigned. See

your Unit Leader or Supervisor for additional information regarding any location or job-specific dress requirements.

### **Personal Phone Calls and Electronic Devices**

To avoid disruptions and keep the phone lines clear for Company business, personal phone calls should be limited to designated break areas, and to using approved specified phones or personal cell phones only during your break or lunch time. See your Unit Leader or Supervisor for additional information.

To offer a courteous and Customer-friendly environment, all cell phones should be placed on mute or vibrate when not in use. You should also not use a cell phone, personal desktop assistant (PDA), GPS navigational system or other electronic devices while driving on Company business or driving a Company vehicle, unless the device is programmed prior to driving and you use the hands-free functionality.

### **Personal Shopping**

Where applicable, Associates aren't allowed to shop during work hours, even if on an approved break. Merchandise shouldn't be put aside for your personal use. It should be paid for in accordance with the Company personal shopping policy and taken to the area designated for Associate purchases. You should also never handle your own transaction or the transaction of a dependent or close relative.

### **Resignation of Employment**

If you decide to end your employment with JCPenney, we ask that you give your Supervisor at least two weeks notice. You will be required to return all Company property (e.g. computers, keys, name badges, Company credit cards, Associate discount cards) prior to your departure. After you have given proper notice to your Supervisor, you must formally process the resignation. To do this, log into the Associate Kiosk and click on Associate Self Service, then click on Resign from JCPenney and follow the prompts.

### **Searches**

The Company takes steps to reduce the risks of internal theft, as well as to provide for the safety and welfare of our Associates. These steps may include routine inspections or searches of the workplace – including your personal items – and they may occur without advance notice. Searches may be random or at specified times or entrances, as is done at some of our Units. Sometimes they arise because of some reasonable concern that the Company identifies in that Unit or location.

Because the scope of the risk is broad, the potential scope of the search must also be broad. It may include lockers, lunch boxes, packages, containers, purses, coats, briefcases, offices, desks, work stations, computers or similar places – whether or not they are locked, even with your own or a Company-provided lock. Therefore, please do not bring items to work that you don't want to have searched or disclosed.

### **Solicitation and Distribution**

We don't want you to be disturbed while you're at work. So solicitation and distribution by non-Associates on our property are prohibited at all times, except in very limited circumstances for tax-exempt, charitable organizations that are approved in advance by the Unit Leader or as part of a Company-wide program.

Also, solicitation of any kind by Associates is prohibited during working time. You shouldn't hand out advertising material or flyers during working time or in working areas. Working time doesn't include time before work, breaks, meal periods or time after work.

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Last updated: 05/23/2007

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## YOUR CAREER, PAY and BENEFITS

### Career

#### Training and Development

In support of our WINNING TOGETHER Principles of performance, innovation and quality, the Company provides training for professional development of our Associates. Training is aligned with career paths and covers job specific content, selling skills, management training and many other topics. Training is delivered through multiple tools including classroom, online, jPos, DVD/video and our jLearn on-demand system. The Company communicates and tracks training through the Training Management System (TMS), which can be accessed through the Associate Kiosk.

The JCPenney Training program provides you with the information and instruction necessary to help you succeed in your job and prepare for advancement. You are highly encouraged to seek out training for personal development.

In order for JCPenney to be an industry leader, we have developed processes and tools designed to optimize your performance and enhance your engagement.

#### 360° Survey & Individual Development Plans

There are several tools for feedback, such as the 360° Survey and Individual Development Plans. Not all Associates will use these tools. However, at some point you could be asked to participate as a recipient or rater in the 360° process.

A 360° Survey is a feedback instrument that collects performance information from multiple raters, each of whom has a unique perspective on your behavior at work. The raters will include your Supervisor, Associates reporting directly to you and others who may work closely with you but don't report to you. Survey results are for your development only and aren't a part of your annual Performance Appraisal.

#### Probation Period

The Company understands that, as a new Associate, you're in the process of learning and understanding your role and responsibilities. The Company generally uses a progress period of 30 to 90 days to determine whether the employment relationship with you is meeting Company expectations. The length of this trial period varies depending on the position, location and type of business Unit. If a performance problem arises during this period, disciplinary action may result and could include termination.

Newly-hired Associates generally have a formal review period twice in the first year, with the first appraisal occurring during the first 30 to 90 days of their employment, and annually thereafter.

#### Performance Appraisals

An important step in WINNING TOGETHER is open communication between you and your Supervisor. At least once a year, you and your Supervisor should meet to discuss your job performance – what you have done well and where you can do better. In addition to your Performance Appraisal meeting, you and your Supervisor should have frequent informal discussions about your work.

This is your career, so make the most of it. Whenever you have a concern, don't wait for your annual appraisal to discuss it with your Supervisor. If you want more feedback, be sure to ask them:

- "How am I doing?"
- "What new skills can I learn?"
- "How can I reach my career goals?"

#### WINNING TOGETHER Survey

The WINNING TOGETHER Survey is an opportunity for all Associates to confidentially voice their concerns and opinions about a variety of workplace issues, particularly through the use of the open-ended comments. Once per year, all Associates participate in the survey process. The results help to guide Associate programs for the coming year. In order to protect the integrity of this survey, everything possible is done to maintain your confidentiality as a survey participant.

#### Job Changes

Your career at JCPenney is what you make it. To stay informed of new opportunities in the Company, use the Associate Job Posting system on the Associate Kiosk.

#### *Be a Friend*

Some of our best JCPenney Associates are found through Associate referrals. If you know someone who would be a great addition to JCPenney, you may use the "I'm Referring...APerfectFit" program located on the Associate Kiosk to refer great candidates. If the referral is hired and all eligibility rules are met, you may qualify for a cash award.

## **PAY**

We understand that your paycheck is important to you. The Company work week runs from Sunday through Saturday. You will receive your wages by direct deposit or check.

We encourage you to enroll in direct deposit which provides the convenience of automatic deposit into your bank account. You may sign up for direct deposit on the Associate Kiosk. You can also view your paycheck details online on the Associate Kiosk. Review your paycheck carefully to be sure the hours you are paid and the deductions reflected on your paycheck are correct. If you have any questions or concerns about your pay, you should immediately discuss them with your Supervisor or Human Resources.

#### *Meal Period*

If you're scheduled for more than 6 hours in a day, you will receive an unpaid meal period. Depending upon your workplace, the meal period will be between 30 and 60 minutes. If your state law has different meal period requirements, the state law requirements will be followed.

#### *Breaks*

Depending on your daily work schedule, you may have one or more paid break periods. Typically, if you are scheduled to work seven or more hours a day, you will have two break periods in addition to your meal break. If you are scheduled to work three-and-a-half up to seven hours in a day, you will have one break period. In states with different break requirements, state law will apply. See your Supervisor for information about break length and timing, as well as approved break locations.

#### *Overtime*

The Company understands that you have commitments outside of your job. For that reason, we try to limit last-minute changes to your work schedule. But sometimes business needs change unexpectedly. So on occasion you may be asked – and expected – to work beyond your normal scheduled hours. If you are in an hourly or commissioned position and that happens, you will be paid at the appropriate hourly rate.

## **Benefits**

While we won't cover each benefit in detail here, we do want to cover a few key benefits. JCPenney offers you many benefits as part of your employment. Depending on your eligibility status, they include:

- Medical
- Dental
- Vision
- Life Insurance
- Disability
- Accidental Death and Dismemberment (AD&D)
- Long Term Care
- Health Care and Dependent Care Flexible Spending Accounts
- 401(k) Savings Plan
- Pension Plan
- Retirement Account Plan
- Paid Time Off
- Associate Discount Program

## • Illness Recovery Time

### • Benefits

Because we value your health and wellness, JCPenney offers eligible Associates medical, dental and vision benefits. To become Benefits Eligible, you must average at least 35 hours per week. For new-hires and rehires, the first eight weeks of employment will be used to determine if you have worked an average of 35 hours to qualify for full-time benefits. If you are hired on or before the 15th of the month, you can become Benefits Eligible the first day of the fifth month of employment. If you are hired on or after the 16th of the month, you can become Benefits Eligible the first day of the sixth month of employment.

An important part of the JCPenney benefits package is the 401(k) Savings Plan. The 401(k) Savings Plan, along with the Pension, Retirement Account Plan, Social Security and your personal savings, can help you prepare for the future. Associates who are age 21 or over are eligible to participate in the 401(k) immediately upon hire.

After one year of service and having worked at least 1,000 hours, you will automatically be enrolled in the 401(k), unless you opt-out. Once enrolled, the Company matches the money you put aside each paycheck. For every dollar you contribute to the plan (up to six percent of your pay), the Company will match fifty-cents.

### • Pension

One of the ways that JCPenney helps Associates prepare for retirement is through the Pension Plan. If you were hired or rehired before January 1, 2007, you are eligible to participate in the Pension Plan on the first January 1, April 1, July 1 or October 1 after the date you:

- Complete at least one year of eligible service,
- Reach age 21, and
- Are an Associate of J.C. Penney Corporation, Inc.

JCPenney funds the Pension Plan 100% for eligible Associates, which may provide a benefit at retirement based on your pay and years of credited service.

### • Retirement Account Plan

JCPenney offers the Retirement Account Plan to Associates hired on or after January 1, 2007 to help supplement retirement savings. Once you become eligible, the Company will make a fixed annual deposit equal to two percent of your annual compensation (up to the government limit) into your Retirement Account. Associates hired prior to January 1, 2007, who meet the eligibility requirements, participate in the Pension Plan not the Retirement Account Plan.

We recognize that you may have personal situations and responsibilities to take care of during normal working hours. Paid time off provides you with pay for time off during hours you are scheduled to work. PTO (Paid Time Off) and MTO (My Time Off) are our paid time off benefit programs. To participate in PTO, you must have been Benefits Eligible on December 31, 2003 and have remained Benefits Eligible. All other Associates who meet the eligibility requirements receive monthly deposits of MTO that can be used during that month or the remainder of the year. When possible, submit all requests for time off to your Supervisor as far in advance as possible. Certain dates are unavailable, such as blackout periods resulting from key business activities. PTO/MTO balances are available on the Associate Kiosk.

### • Time Off

The Company has many programs to assist you with personal, family and civic responsibilities. These programs cover issues such as military duty, Family and Medical Leave Act leaves, voting time, holidays, funeral leaves and many more. Please see the Leave of Absence brochure for more details.

The Company encourages and supports a work environment that allows you to balance contributions at work with your personal life. Work/Life Balance is about providing you with some control over when, where and how you work. The Company recognizes that Work/Life Balance issues impact your ability to perform to your full potential.

Work/Life Balance programs may vary by Unit. Check with your Supervisor to see how this applies to your job.

### • Associate Discount Program

All JCPenney Associates are rewarded with the Associate Discount Program on their first day on the job. It's a special sign of

appreciation from the Company and a value for you and your eligible family members (your spouse and dependent children)

The Associate Discount Program gives you and your eligible dependents a discount on certain merchandise purchases and services at both Stores and Catalog/jcp.com.

The Associate Discount Program is a benefit of your employment and you should be careful to use it only as intended. The discount privilege and identification cards are nontransferable and may be used only by you, your spouse or your eligible dependents.

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Last updated: 05/23/2007

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## HOW TO USE THE ASSOCIATE GUIDE to WINNING TOGETHER

### This Is a Guide and Not a Contract

Because of the dynamic nature of our business, JCPenney must be able to modify, revise and deviate from this Associate Guide to WINNING TOGETHER. Given the number of topics covered here and the likelihood that some guidelines will change, it is important that the Company have the freedom and flexibility to respond in a timely manner. So this document should be looked upon solely as a source of information and not a contract between you and the Company.

### At-Will Employment

By stating that the Associate Guide to WINNING TOGETHER itself isn't a contract, we mean that nothing in this document constitutes a guarantee of employment, a guarantee of the terms and conditions of employment or restricts in any way the right of JCPenney or you to terminate the employment relationship at any time. To be more specific, the Company's policy on employment status is one of "at-will" employment, which means that you and the Company hold individual freedom regarding the employment relationship. You are free to leave at any time, without reason or cause, and with or without notice. The Company can also exercise its right to end an Associate's employment, with or without cause or prior notice, for any reason.

Your at-will employment status can only be changed by written agreement signed by you and the Executive Vice President and Chief Human Resources and Administration Officer or the Chief Executive Officer, which specifically states that your employment isn't at-will employment. No other Officer, Manager or representative of JCPenney can waive the terms and requirements of the at-will employment relationship.

### Changes and Revisions

The Company, on its own initiative, or based upon Associate recommendations, may change the Associate Guide to WINNING TOGETHER provisions at any time, with or without notice. New or revised policies and procedures will replace previously-issued statements on the same subject. The most current version of this document is available on Web.

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Last updated: 05/23/2007

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## ADDITIONAL RESOURCES

### Using the Associate Kiosk

The Associate Kiosk is your convenient source for personal Associate information, as well as vital Company news and information. All Associates are encouraged to use this system to obtain critical information about their employment such as payroll, benefits, training and performance review information.

Because there may be a need to get information to you quickly, it is important to keep the Company updated on your address and telephone number. For example, all of your benefits information is mailed to your home address. You can update your personal information by logging into the Associate Kiosk and clicking on Personal Data from Associate Self Service.

You can access the Associate Kiosk from home by going to <http://www.jcpenney.net> and selecting the Associate Information link.

### PowerLine

PowerLine, available online through Your Benefits Homepage from the Associate Kiosk or at 1-888-890-8900, is your single source to manage all benefits transactions. Use the Web site to handle such tasks as viewing your PTO/MTO balance, enrolling in or reviewing your benefits, enrolling in the Savings Plan or designating beneficiaries for your retirement or insurance plans.

### Understanding the Electronic Resources Policy

JCPenney maintains ownership rights to its electronic data, voice communication and storage systems ("JCP systems"). No Associate should have any expectation of privacy regarding usage of the JCPenney systems. These include but aren't limited to: computers, networks and devices, electronic mail (e-mail and instant messaging) – including attachments – voice mail, Internet and Intranet portals.

Because these systems are owned by JCPenney and are to be used for business reasons, the contents of any communications or data transmitted through or stored within the JCPenney systems are JCPenney property. As such, they are subject to review by JCPenney and disclosure to third parties.

Occasional personal use of the JCPenney systems is permissible as long as it is:

- Minimal
- Infrequent
- Doesn't interfere with JCPenney business or Associate job performance
- Doesn't compromise the confidentiality or proprietary nature of any JCPenney information
- Doesn't negatively impact the performance of JCPenney systems,
- Doesn't put JCPenney systems and information at risk of disclosure, damage or destruction

JCPenney systems may not be used for personal, commercial or profit-generating activities unrelated to JCPenney's business. JCPenney also prohibits the use of the JCPenney systems for non-business solicitation, including the distribution of chain letters.

### Preparing for Emergencies

We want to ensure the safety of our Associates and Customers. Preparing in advance for a medical emergency or a natural disaster is an important first step. For each Unit, there are specific Emergency Preparedness plans and directions for emergency situations. For additional information about the Emergency Preparedness plan that applies to your Unit, refer to the Associate Kiosk or contact your Supervisor.

### Checking Your Job References

At times, you may need to provide basic employment information to a prospective employer, bank, mortgage company, rental office, government agency, etc. All job reference or employment verification requests should be forwarded to The Work Number for Everyone®, an automated employment verification service at 1-800-367-5690. Your employer code is 10170. All requests for job references are processed through The Work Number for Everyone®. The Work Number for Everyone® will verify dates of employment and last position held. Salary and other pay information can also be provided if you supply an additional

authorization code. There is no cost to you for using this service.

Never send any reference requests directly to your Unit, Unit Leader or Supervisor. All requests should be referred to The Work Number for Everyone®.

### **Maintaining and Viewing Personnel Records**

The Company maintains documents about your employment. These documents include your employment application, evaluations and other personnel records. You may review your personnel records by appointment.

The Company understands that it is important to keep your personnel records confidential. To protect your privacy, the Company doesn't share information about you except when legally required or when the Company decides it is necessary or appropriate to do so.

### **Referring Press Inquiries**

Unless you work in the Corporate Communications department, you should never answer press inquiries, even about non-confidential matters. If a member of the press asks you questions about JCPenney, please refer them to the Corporate Communications department in the Home Office at 972-431-3400.

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## In Conclusion

Use the Associate Guide to WINNING TOGETHER as your first source for information about policies and procedures. If you don't find the answer you need, contact the appropriate resource listed below.

Line HR, Ethics, Legal, Accounting Complaints, Loss Prevention and Harassment	1-800-JCP-0063 (1-800-527-0063)
PowerLine JCPenney's third party vendor who administers the following: Health Benefits, Wellness Programs, PTO/MTO Balances, Savings, Pension Plan and Leave of Absence	1-888-890-8900
Corporate Communications Media Inquiries and Public Relations	972-431-3400

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## EXHIBIT D

### Training Agenda for Non-Supervisory Employees, Excluding Seasonal and Temporary Employees

1. Federal Anti Discrimination Laws.
  - 1.1 Title VII of the Civil Rights Act of 1964, including the Equal Pay Act
    - 1.1.1 Discrimination based on Race, Color & National Origin
      - Examples of illegal discrimination based on race, color & national origin
    - 1.1.2 Discrimination based on Sex Discrimination
      - Examples of illegal discrimination based on sex
    - 1.1.3 Discrimination based on Religion
      - Examples of illegal discrimination based on sex
  - 1.2 The Age Discrimination in Employment Act
    - Examples of illegal discrimination based on sex
  - 1.3 The Americans with Disabilities Act
    - Definition of "disability"
    - Reasonable Accommodation
    - The "Interactive Process"
  - 1.4 Unlawful Harassment
    - Quid Pro Quo Sexual Harassment
    - The Hostile Work Environment
2. State Law & Additional Protected Categories
  - Sexual Orientation
3. J.C. Penney's Policies Prohibiting Discrimination & Harassment

- 3.1 J.C. Penney's Open Door Policy.
- 3.2 Reporting Discrimination or Harassment.
- 4. Retaliation.
  - 4.1 Federal Laws Prohibiting Retaliation.
  - 4.2 J.C. Penney's Policies Prohibiting Retaliation.

**Training Agenda for Management & Supervisory Employees**

- 1. The Consent Decree & Its Requirements.
- 2.-5. (Sections 1-4 above will become Sections 2-5, but where appropriate, the training will be more detailed.)
- 6. Investigating Complaints of Discrimination & Harassment.
- 7. Appropriate Remedial Action.